Examining the Financial Cost of Alternative Payments in High-Risk Patients

Alternative payment models in healthcare are plagued by concerns of a lack of risk adjustment and withholding care in high-risk patients.

Creating risk profiles and knowing the cost burden associated with comorbidities and demographics can align reimbursement with cost.

90-day episode-of-care

- 6,537 patients with consecutive primary total hip (THA) and knee (TKA) arthroplasty
- 74% on Medicare
- 16% using a single private insurer

Statistical analysis to determine effects on 90-day episode-of-care costs

Demographic data
Comorbidities

Medicare

- Cost: $19,555
- 1.98 days spent in the hospital

Increased costs caused by:

Comorbidities
- Congestive heart failure
- History of stroke
- Renal disease
- Diabetes

Demographics
- Age
- Body mass index
- Female sex
- Unmarried

Private insurance

- Cost: $36,069
- 1.47 days spent in the hospital

Increased costs caused by:

Comorbidities
- Cardiac disease

Demographics
- Age
- Body mass index

Healthcare workers offering alternative payment models should be cognizant of patient comorbidities and demographics that are linked to increased costs.

Risk Adjustment for Episode-of-Care Costs After Total Joint Arthroplasty: What is the Additional Cost of Individual Comorbidities and Demographics?

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